

CITY AUDITOR'S OFFICE



SPECIAL REPORT

COMPARISON OF DURANGO HILLS AND VETERANS MEMORIAL LEISURE SERVICES CENTERS

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CITY AUDITOR

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EXECUTIVE SUMMARY

As requested by the Mayor and City Council, the City Auditor's Office completed a comparison of the YMCA run Durango Hills Center and the City run Veterans Memorial Center.

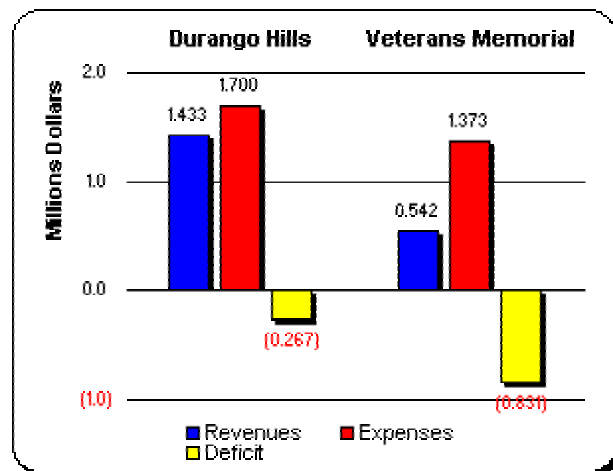
While the two centers are similar in size and design, their operations are different in many aspects, including: (1) different communities - one with a surrounding population higher than the other, (2) different operators - non-profit vs. local government, (3) different pools - recreation vs. lap swim pool, and (4) different fee structures.

The comparison was based on the calendar year 2002 financial and operational data. Our review indicates that both centers were unable to generate revenues sufficient to cover their costs as shown below.

Veterans Memorial's deficit of \$831K was more than three times Durango Hills' deficit of \$267K.

The 84% recovery rate (Revenue/Expense) of Durango Hills was more than twice Veterans Memorial's recovery rate of 39%.

The higher recovery rate was primarily due to Durango Hills' ability to generate approximately 2.6 times Veterans Memorial's revenues with 1.2 times their expenditures.



Durango Hills' revenues were higher than those of Veterans Memorial by \$891K, mainly due to more class registrants and members, higher user fees, and a focus in sports.

Class fees were the largest source of revenue for both centers. Durango Hills offered approximately 11,700 hours of classes and generated \$635K in class revenues while Veterans Memorial offered 9,300 hours of classes and generated \$366K in class revenues.

The second largest source of revenue for both centers was from the sale of memberships or passes. Durango Hills sold an equivalent of 1,269 annual memberships totaling \$557K at an average fee of \$439. Veterans Memorial sold an equivalent of 835 annual activity-based passes totaling \$100K at an average fee of \$120 per year.

Durango Hills' expenditures were higher than those of Veterans Memorial by \$327K, mainly due to more customers, more staff, longer operating hours, and more equipment.

Salary and wages were the major expenditures for both centers, representing approximately one-half of their total expenditures. Durango Hills had a total of 129 employees, 32 more than Veterans Memorial, but its pay rates were lower than those of Veterans Memorial.

Comparison of Durango Hills and Veterans Memorial Leisure Services Centers

CAO 1601-0304-02

November 10, 2003

During our review, we engaged an independent contractor to conduct a community and user survey. The results indicated that residents within each community were aware of their center's existence. Furthermore, over 90% of the users were satisfied with the services provided by their respective centers.

To cover Durango Hills' 2002 deficits, the City reimbursed the center approximately \$200K for utility expenses. Based on our analysis, Durango Hills could have alternatively covered its deficits through additional fund raising, grants, or contributions, as was done by the YMCA at its Bennett Center.

BACKGROUND

The City of Las Vegas constructed two leisure service centers in 1999. Each center consists of a 41,000 square foot community building and an adjoining swimming pool. The center located at 3521 N. Durango was originally named the Northwest Leisure Services Center but was subsequently renamed Durango Hills Community Center (Durango Hills). The center located at 101 S. Pavilion was named Veterans Memorial Leisure Services Center and Pavilion Pool (Veterans Memorial). Within a two-mile radius of each center, Durango Hills has a population of approximately 43,000 while Veterans Memorial's population was approximately 27,000.

The two center buildings are almost identical in size and layout. Each one has a gymnasium, fitness room, two multi-purpose rooms, and several classrooms and offices. However, the two outdoor swimming pools are very different in design. The Pavilion Pool is basically for lap swim but half of the Durango Hill Pool is designed for family recreation with various water slides and a play area for children.

In February 2000, the City contracted YMCA Southern Nevada (YMCA) to operate Durango Hills and the City's Leisure Services Department continued to operate Veterans Memorial. At the end of 2000, YMCA requested the City to subsidize Durango Hills by paying for the center's utility expenses. Over the past three years, the City Council has approved the YMCA's subsidy requests during its annual budget review.

At its December 18, 2002 meeting, the City Council requested the City Auditor's Office to conduct a review comparing the operations of Veterans Memorial and Durango Hills.

OBJECTIVE

The objective of this review was to compare the operational and financial results of the City run Veterans Memorial Center and the YMCA run Durango Hills Center.

SCOPE AND METHODOLOGY

This review was performed in accordance with Generally Accepted Governmental Auditing Standards. Our work was limited to comparison of 2002 financial and operational data supplied by the entities under review. General procedures included:

- Interviewing management and selected staff of the centers;
- Analyzing all financial and operational data;
- Observing each center's programs and activities;
- Comparing hours of operations at both centers;
- Analyzing staffing levels and pay rates;
- Comparing and analyzed fee structures; and
- Hiring an outside contractor to perform a community and user survey.

1.0 FINANCIAL RESULTS

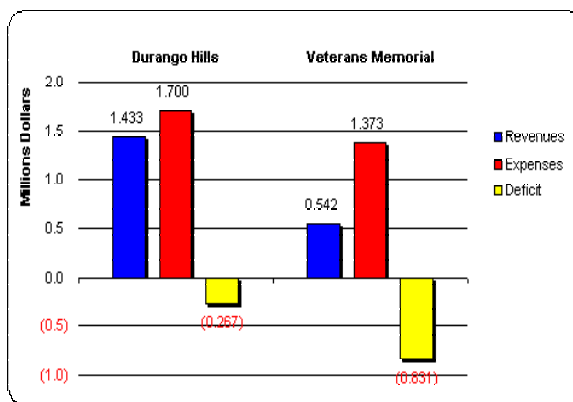
We obtained most of the financial and operational data from the management of the entities under review. Since the information came from two different entities with their own records and formats, we had to regroup some of the data for comparison purposes. Occasionally, when important information was not available, we calculated estimates after reviewing our methodology with center management to ensure they were reasonably accurate. We also obtained additional information from other City departments to ensure the comparisons were fair and equitable.

The following table and graph summarize the financial results of the two centers in 2002. They represent a snapshot of each center's financial performance during that year with its annual total revenues and expenses.

FINANCIALS	Durango Hills (DH)	Veterans Memorial (VM)	DH - VM Difference	DH / VM Ratio
Revenues	\$1,433,000	\$542,000	\$891,000	2.6
Expenses	\$1,700,000	\$1,373,000	\$327,000	1.2
Deficits	(\$267,000)	(\$831,000)	\$564,000	0.3
Recovery Rates	84%	39%		

Durango Hills and Veterans Memorial had financial deficits of approximately \$267K and \$831K, respectively. These deficits are higher than previously reported by YMCA and the City's Finance Department due to the following:

- Durango Hills' utility expenses of \$203K was reimbursed by the City, and the City's Building Services incurred more than \$35K repair and maintenance costs for the Durango Hills facilities. These costs were not included in the center's financial report as they were not YMCA's expenses.
- Various costs (i.e. utilities, maintenance, administration) for Veterans Memorial were not closely tracked or accounted for as the center's operating expenditures.



Durango Hills' 84% recovery rate (Revenue/Expense) was more than twice Veterans Memorial's recovery rate of 39%.

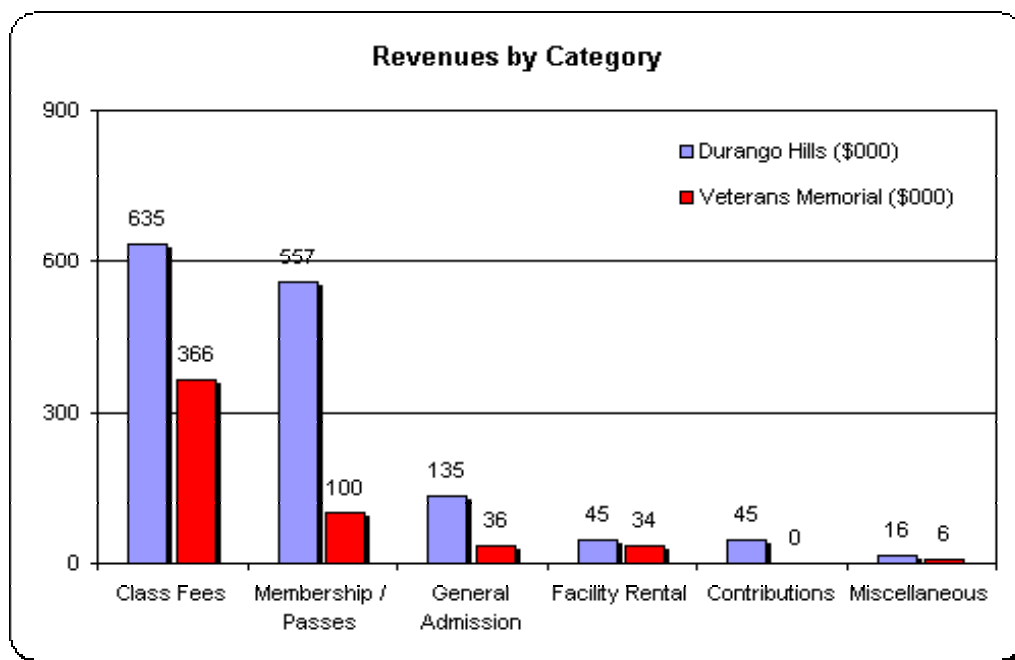
The higher recovery rate was primarily due to Durango Hills' ability to generate approximately 2.6 times Veterans Memorial's revenues with 1.2 times their expenditures.

2.0 COMPARISON OF REVENUES

To identify why Durango Hills' total revenue is more than double that of Veterans Memorial, we grouped each center's revenues into six categories as shown in the following table:

REVENUES	Durango Hills (\$000)	Veterans Memorial (\$000)	DH - VM (\$000)	DH / VM Ratio	VM / DH Ratio
Class Fees	635	366	269	1.7	0.6
Membership / Passes	557	100	457	5.6	0.2
General Admission	135	36	99	3.7	0.3
Facility Rental	45	34	11	1.3	0.8
Contributions	45	0	45	na	na
Miscellaneous	16	6	10	2.7	0.4
Total	1,433	542	891	2.6	0.4

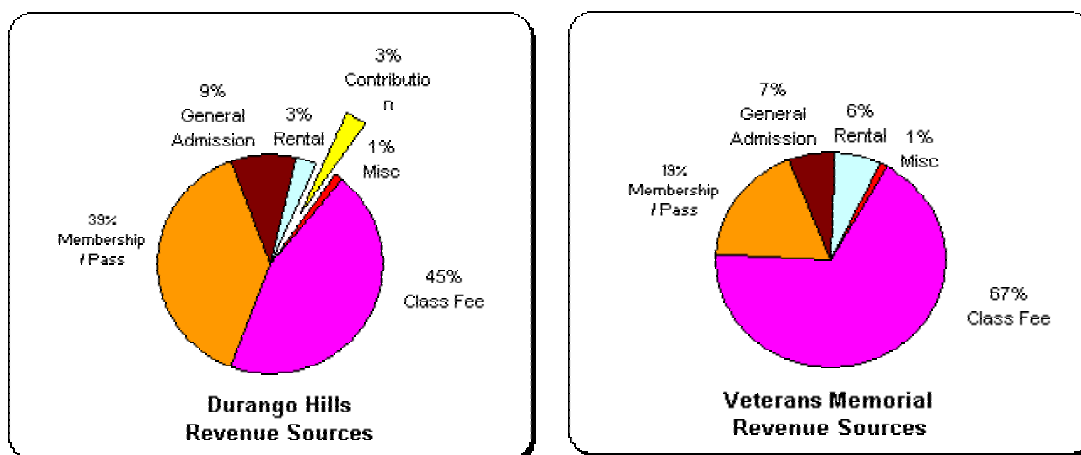
Durango Hills' revenues exceeded those of Veterans Memorial in all categories. The most significant difference between the two centers was in the membership/passes category.



Durango Hills' membership/passes revenue of \$557K was more than five times Veterans Memorial's revenue of \$100K.

2.1 SOURCES OF REVENUES

Class fees and membership/passes were the two largest sources of revenue for both Durango Hills and Veterans Memorial, representing 84% and 86% of their total revenue, respectively:



Durango Hills' class fees revenue was \$269K higher and membership/passes revenue was \$457K higher than Veterans Memorial. The main reasons Durango Hills had higher revenues in these two categories were due to its ability to attract more class participants and members while charging the customers higher fees than those of Veterans Memorial.

General admission revenue includes various user fees, public swim admissions, use of personal trainers, and day care services. Durango Hills' revenue in this category was more than three times, or \$99K higher than that of Veterans Memorial, mainly due to its customers' heavier usage of the swimming pool and fitness facilities.

Durango Hills (\$000)			Veterans Memorial (\$000)		
Class Fees	635	45%	Class Fees	366	67%
Membership / Passes	557	39%	Membership / Passes	100	19%
General Admission	135	9%	General Admission	36	7%
Facility Rental	45	3%	Facility Rental	34	6%
Contributions	45	3%	Contributions	0	0%
Miscellaneous	16	1%	Miscellaneous	6	1%
TOTAL	1,433	100%	TOTAL	542	100%

Only 7% of each center's revenue was from facility rental, contributions, and miscellaneous. Durango Hills' facility rental and miscellaneous revenues were each approximately \$10K higher than those of Veterans Memorial. In addition to its programming revenues, Durango Hills also received \$45K in cash contributions during 2002 from three outside organizations while Veterans Memorial did not receive any outside contributions.

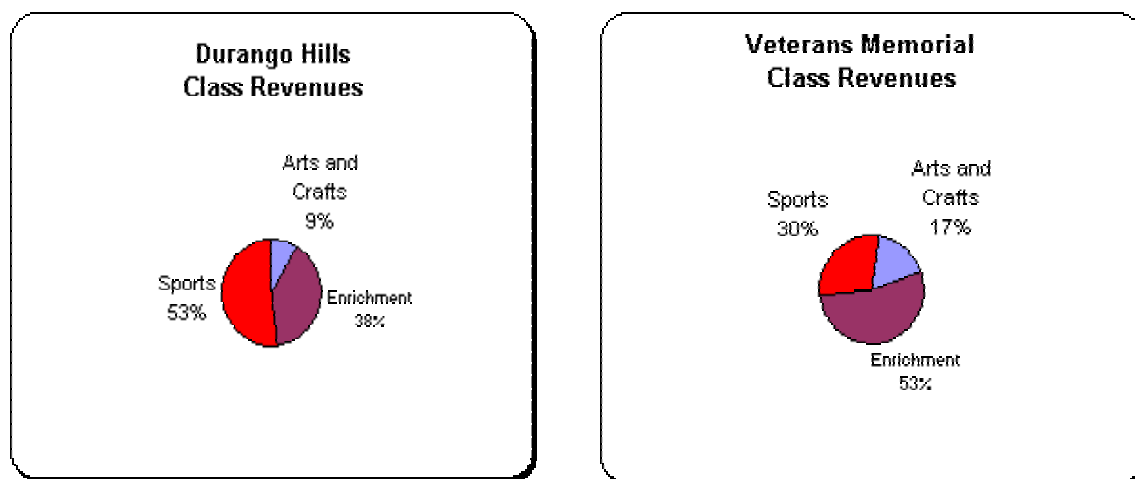
2.2 COMPARISON OF CLASS REVENUES

The class registration data were analyzed to compare the types of classes offered at each center and the class participation. Our review indicated that more than 90% of the class registrants at both centers were children. Since the centers name their classes quite differently, the classes were grouped into the following three categories for comparison purposes:

Arts and Crafts - includes dance, performance arts, music, pottery and various crafts classes.

Enrichment - includes after school tutoring, track break, computer, science, and various educational training classes.

Sports - all sports classes including swimming lessons, gymnastics, Tae Kwon Do, martial arts, and fitness.



Our review indicated that Durango Hills' focus was in sports (53% of its class revenue) while Veterans Memorial's focus was in enrichment (53% of its class revenue).

Among the three class types, sports produced the most significant difference in class revenue between the two centers. With \$334K, Durango Hills had three times the revenue of Veterans Memorial in sports.

Revenue by Class Type	Durango Hills		Veterans Memorial		DH - VM
Arts and Crafts	\$59,000	9%	\$64,000	17%	-\$5,000
Enrichment	\$242,000	38%	\$191,000	53%	\$51,000
Sports	\$334,000	53%	\$111,000	30%	\$223,000
Total	\$635,000	100%	\$366,000	100%	\$269,000

2.3 TOP REVENUE PRODUCING CLASSES

Class Type	Durango Hills Classes	Annual Revenue	Number of Participants	Revenue per Person
Arts and Crafts	Hip Hop Dance	\$10,566	104	\$102
	Performance Arts	10,137	93	109
	Scrapbooking	6,422	54	119
Enrichment	Adventure Camp	94,817	1,739	55
	Track Break	65,285	1,141	57
	Design Explorers	20,410	157	130
Sports	Youth Basketball League	65,219	847	77
	Learn To Swim	41,000	1,237	33
	Tae Kwon Do	33,120	444	75
	Martial Arts	22,320	186	120
		\$369,296	6,002	\$62

Based on these top ten classes, Durango Hills was able to generate approximately \$62 in revenue from each class registrant, compared to \$42 at Veterans Memorial. There were more customers in higher fee classes at Durango Hills and more customers in lower fee classes at Veterans Memorial. For Example, the revenue per person for martial arts at Durango Hills was \$120 while the revenue per person for gymnastics was \$37 at Veterans Memorial.

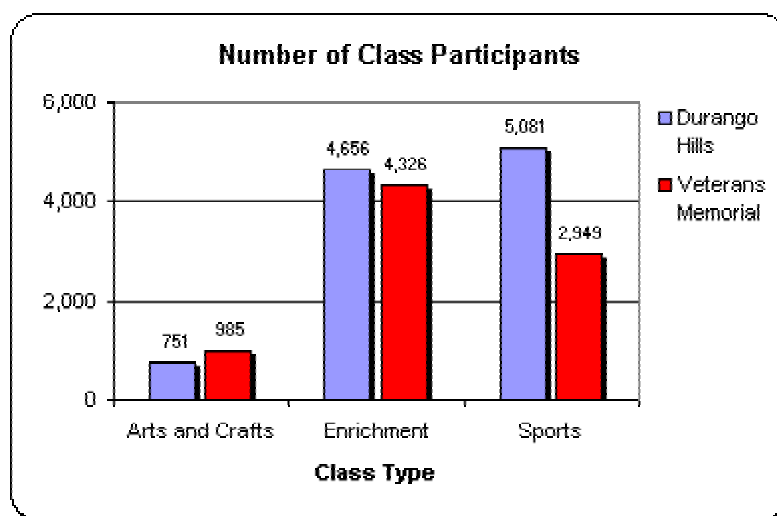
Class Type	Veterans Memorial Classes	Annual Revenue	Number of Participants	Revenue per Person
Arts and Crafts	Pottery	\$11,950	148	\$81
	Crafts and Cooking	8,261	97	85
	KNEX (Creative Building)	8,255	81	102
Enrichment	Recreation Station	63,454	1,653	38
	Kids Camp	60,637	1,029	59
	Teen Scene	19,088	770	25
Sports	Gymnastics	26,396	721	37
	Learn to Swim	18,875	761	25
	Basketball	11,050	266	42
	Sports Sampler	7,885	86	92
		\$235,851	5,612	\$42

2.4 COMPARISON OF CLASSES

Durango Hills had 26% more class hours than Veterans Memorial, primarily due to more class hours in sports.

Number of Class Hours	Durango Hills	Veterans Memorial	DH - VM	DH / VM
Arts and Crafts	1,642	1,299	343	126%
Enrichment	5,390	5,171	219	104%
Sports	4,656	2,781	1,875	167%
Total	11,688	9,251	2,437	126%

In terms of number of participants, Veterans Memorial had more people attend its arts and crafts classes than at Durango Hills. Enrichment classes for both centers had about the same number of people. Durango Hills had 72%, or 2,132 more participants in its sports classes than at Veterans Memorial.



Number of Class Participants	Durango Hills	Veterans Memorial	DH - VM	DH / VM
Arts and Crafts	751	985	-234	76%
Enrichment	4,656	4,326	330	108%
Sports	5,081	2,949	2,132	172%
Total	10,488	8,260	2,228	127%

2.5 DURANGO HILLS MEMBERSHIPS

YMCA operates both its own Bennett Center and the City's Durango Hills Center. Having a YMCA membership entitles its members to use both facilities.

There are four types of all-inclusive memberships at Durango Hills: family, adult, senior, and student. Each member is entitled to health and fitness programs, public swim, open gym, and general admission to center facilities. Members are required to pay for their class fees and personal training. Although memberships are on an annual basis, equal monthly payments can be made without additional charges.

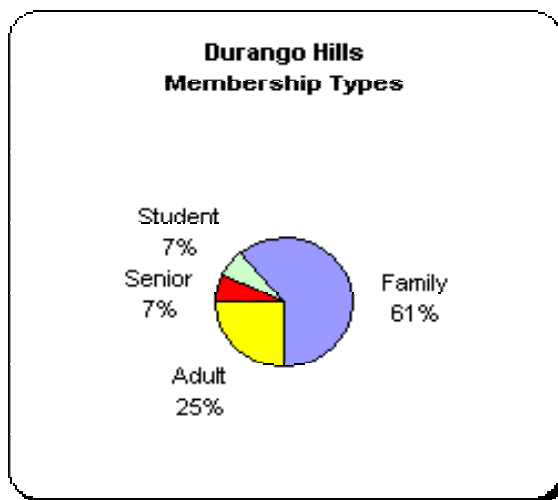
Durango Hills sold an equivalent of 1,269 memberships for \$557K. The average fee per membership was \$439. The distribution by membership category is as follow:

Durango Hills Memberships	Annual Fee	# of Equivalent Annual Memberships	# of Equivalent Annual Members	Annual Revenue (\$000)	Percent
Family	\$612	556	2,335	340	61%
Adult	\$348	401	401	140	25%
Senior	\$300	125	125	37	7%
Student	\$216	187	187	40	7%
Total		1,269	3,048	557	100%

Family memberships represented 61% of Durango Hills' total membership revenues. Our analysis indicates that there is an average of 4.2 persons for each family membership.

Since not all members maintained their membership throughout the year, the number of memberships sold was annualized for comparison purposes.

While there was a total of 1,269 equivalent annual memberships sold, the total number of annualized members, after applying the factor of 4.2 for family membership, is estimated to be 3,048.



2.6 VETERANS MEMORIAL PASSES

Instead of selling all-inclusive use memberships, Veterans Memorial sells a variety of facility and activity-based passes to its users. The prices of these passes are generally lower than Durango Hills' membership fees due to their restricted use.

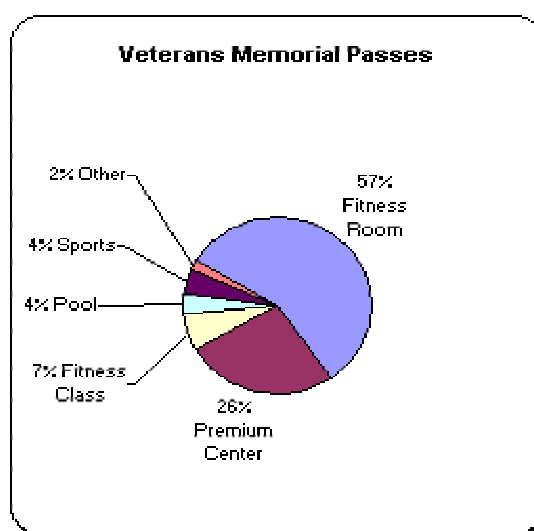
Veterans Memorial sold an equivalent of 835 annualized passes for \$100K. Approximately \$64K, or two-thirds of the revenue was from fitness passes. The following is a breakdown of Veterans Memorial's pass revenue.

Veterans Memorial Passes	Annualized Fee	# of Equivalent Annualized Passes	Annual Revenue	Percent
Fitness Room	\$164	347	\$57,000	57%
Premium Center	\$210	124	\$26,000	26%
Fitness Class	\$167	42	\$7,000	7%
Pool	\$52	77	\$4,000	4%
Sports	\$200	20	\$4,000	4%
Other	\$9	225	\$2,000	2%
Total		835	\$100,000	100%

Since many Veterans Memorial passes were sold for periods less than a year, we annualized the pass fees and number of passes sold for comparison purposes. For example, twelve monthly passes were considered an equivalent of one annual pass.

We estimated that Veterans Memorial sold an equivalent of 835 annualized passes at an average fee of \$120.

In comparison, Durango Hills sold more memberships (1,269) than Veterans Memorial sold annual passes (835). Furthermore, the average annual fee per membership of \$439 is substantially higher than the average annual fee per pass of \$120.

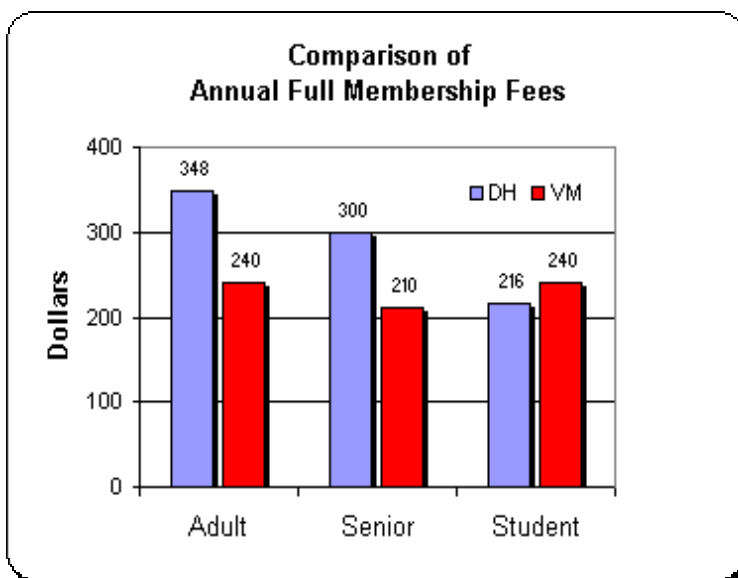


2.7 COMPARISON OF ANNUAL MEMBERSHIP/PASS FEES

The fee structures for membership and passes at the two centers are different.

For a Veterans Memorial user, the closest equivalent to a Durango Hills membership is a premium center pass and a seasonal swimming pass.

Our analysis indicates that adults and seniors had to pay higher fees at Durango Hills than at Veterans Memorial. However, students pay a lower annual fee at Durango Hills than at Veterans Memorial.



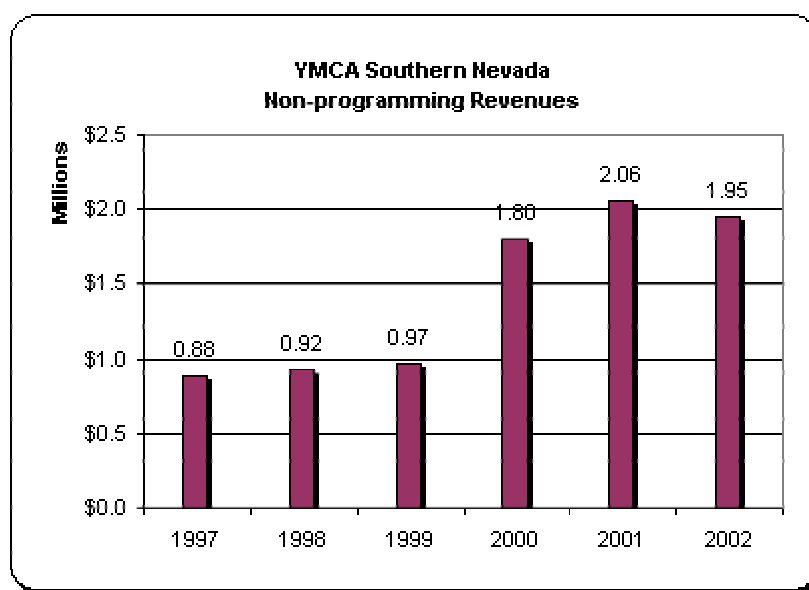
Durango Hills		Veterans Memorial		DH - VM	DH / VM
Adult membership	\$348	Premium Center pass and Adult Pool pass	\$240	\$108	1.5
Senior membership	\$300	Premium Center pass and Senior Pool pass	\$210	\$90	1.4
Student membership	\$216	Premium Center pass and Student Pool pass	\$240	-\$24	0.9

2.8 NON-PROGRAMMING REVENUES

YMCA Southern Nevada reported approximately \$1.95 million of non-programming revenues. The main sources of these revenues were from contributions, grants, and fund raising. Since the City owns the Durango Hills Center, YMCA booked an in-kind contribution of \$750K for its use of the Center. YMCA's board and management are responsible for the distribution of the remaining \$1.2 million of non-programming revenues.

Durango Hills received \$45K in contribution revenue in 2002. YMCA could have allocated a higher portion of its non-programming revenues to cover Durango Hills' operating deficits. The reallocation could result in either additional efforts in fund raising or possible limitations of existing YMCA program. The following is a summary of YMCA Southern Nevada's non-programming revenues over the past six years:

Year	Fund Raising Revenue (net of costs)	Grant Revenue	Contribution Revenue	Total Non-Programming Revenue
1997	\$286,762	\$288,416	\$306,240	\$881,418
1998	333,503	323,552	265,275	922,330
1999	198,118	333,226	438,357	969,701
2000	189,763	423,575	1,186,396	1,799,734
2001	300,921	306,125	1,453,378	2,060,424
2002	216,592	297,017	1,433,448	1,947,057

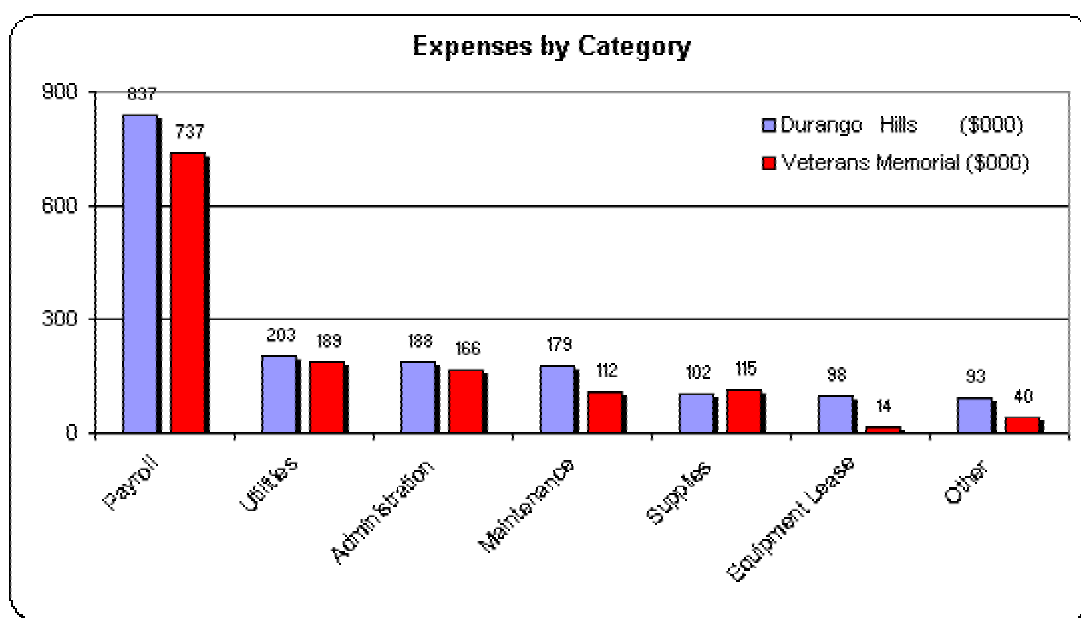


3.0 COMPARISON OF EXPENSES

YMCA and the City account for their expenditures differently. All expenses related to the centers were grouped into seven categories for comparison purposes. The following table shows all center expenses including expenditures reported by the centers and additional expenditures incurred by the City for both operations.

EXPENSES	Durango Hills (\$000)	Veterans Memorial (\$000)	DH - VM (\$000)	DH / VM Ratio
Payroll	837	737	100	1.1
Utilities	203	189	14	1.1
Administration	188	166	23	1.1
Maintenance	179	112	67	1.6
Supplies	102	115	-13	0.9
Equipment Lease	98	14	83	6.8
Other	93	40	53	2.3
Total	1,700	1,373	327	1.24

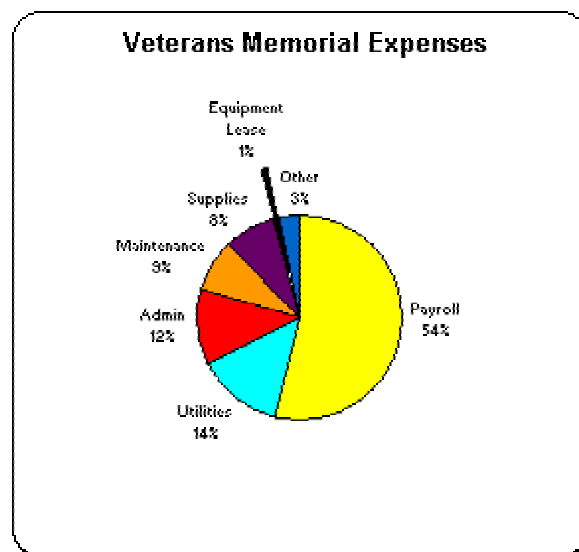
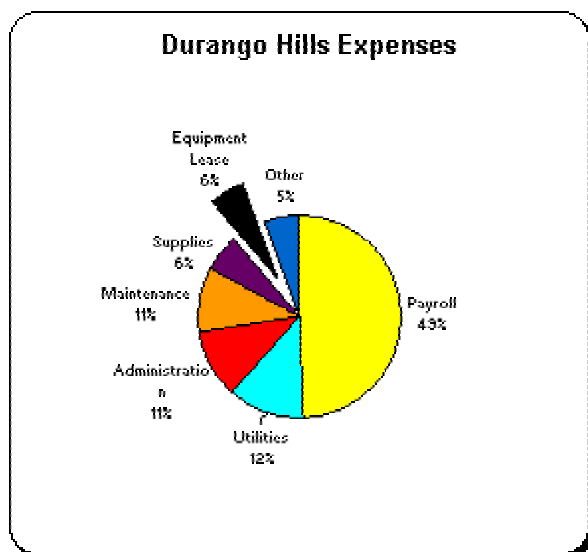
Durango Hills' annual expenditures of \$1.7 million exceeded Veterans Memorial's expenditures by approximately \$327K, or 24%. Payroll represents the highest expenses for both centers.



3.1 DISTRIBUTION OF EXPENSES

Payroll includes salaries and benefits for administrative staff, and wages for hourly and seasonal staff. It is the largest expense category of both Durango Hills and Veterans Memorial, representing 49% and 54% of their total expenditures, respectively.

Durango Hills (\$000)			Veterans Memorial (\$000)		
Payroll	837	49%	Payroll	737	54%
Utilities	203	12%	Utilities	189	14%
Administration	188	11%	Administration	166	12%
Maintenance	179	11%	Maintenance	112	8%
Supplies	102	6%	Supplies	115	8%
Equipment Lease	98	6%	Equipment Lease	14	1%
Other	93	5%	Other	40	3%
TOTAL	1,700	100%	TOTAL	1,373	100%



Durango Hills' payroll expense exceeded Veterans Memorial's payroll by \$100K although the pay rates were lower. The main reason for this was Durango Hills' higher number of salary and hourly employees.

3.2 PAYROLL

Salary employees (e.g. center coordinator and director) are mainly responsible for administrative duties. They receive more benefits (e.g. pensions) than hourly employees. Durango Hills employed a total of 6.25 (full-time-equivalent) salary employees, 1.42 more than at Veterans Memorial. However, Veterans Memorial's salary employees were, on average, paid more than those at Durango Hills by \$17,000 annually.

SALARIES	Durango Hills	Veterans Memorial	DH - VM	DH / VM
# of Salary Staff (FTE)	6.25	4.83	1.42	1.3
Average Annual Cost (including benefits)	\$49,000	\$66,000	-\$17,000	0.7
Total Salaries	\$306,250	\$318,780	-\$12,530	0.96

Most of the center staff are hourly employees. They include class instructors, lifeguards, and program coordinators. There are two types of hourly employees, year-round and seasonal. In accordance with City policy, Veterans Memorial's year-round hourly employees are limited to only 19 hours per week, as they cannot work more than 1,560 hours in an 18-month period. Seasonal hourly employees who work during the summer are able to work 40-hour weeks. Durango Hills' hourly employees are not subject to these same restrictions.

Durango Hills had a total of 123 hourly employees who worked a total of 48,900 hours at an average wage of \$10.86 per hour. On the other hand, Veterans Memorial employed a total of 92 hourly employees who worked a total of 37,600 hours at a slightly higher average hourly wage of \$11.11.

WAGES	Durango Hills	Veterans Memorial	DH - VM	DH / VM
# of Hourly Staff	123	92	31	134%
Hours Worked	48,900	37,600	11,300	130%
Average Hourly Cost	\$10.86	\$11.11	-\$0.25	98%
Total Wages	\$531,054	\$417,736	\$113,318	127%

In addition to its paid staff, Durango Hills utilizes various volunteers to assist its front desk, basketball league, and youth and family services. On an annual basis, Durango Hills receives a total of approximately 3,000 hours of volunteer services, which amount to approximately \$30,000 in cost savings. Veterans Memorial does not have an active volunteer program in place.

3.3 UTILITIES

Durango Hills' annual utility costs including electricity, gas, and water amounted to approximately \$203K. At the request of YMCA and the approval of the City Council, the City reimbursed Durango Hills' utilities expenses to subsidize its operating deficits. Veterans Memorial's annual utility costs were approximately \$189K, \$14K less than that of Durango Hills.

3.4 ADMINISTRATION

Durango Hills' total administrative costs of \$188K include the following: \$147K paid to YMCA National, \$25K paid to YMCA Southern Nevada, and \$16K paid to the City for administering the contract.

Veterans Memorial's administrative costs of \$166K were estimated to be \$86K for general government and \$80K for Leisure Services administrative support.

3.5 MAINTENANCE

Durango Hills' annual maintenance costs of \$179K represent 11% of its total expenditures. The following is a breakdown of its maintenance expenses: \$93K for facility maintenance including \$35K incurred by the City, \$53K for cleaning, and \$33K for equipment maintenance.

Veterans Memorial's annual maintenance costs of \$112K represent 8% of its total expenditures, including \$92K for the community center and \$20K for the swimming pool.

Durango Hills' maintenance cost were \$67K higher mainly due to its \$40K one-time cost for flooring replacement during that year. Our review also indicated that Veterans Memorial's maintenance expenses were sometimes accounted for as supplies or other expenses. Once the expenses in these three categories were aggregated (maintenance + supplies + other), Durango Hills' total of \$374K was approximately 40% higher than Veterans Memorial's \$267K.

3.6 EQUIPMENT LEASE

Durango Hills' \$98K expense in leasing equipment was \$84K higher than Veterans Memorial's \$14K. The main reasons were: (1) Durango Hills leased most of its fitness equipment while most of Veterans Memorial's equipment was purchased by the City before 2002, and (2) Durango Hills had more than twice the number of pieces of fitness equipment than Veterans Memorial (59 pieces vs. 26 pieces).

Durango Hills arranged two leases for its equipment in June 2000, a three-year lease for \$148K with \$65K annual lease payments and a five-year lease for \$117K with \$32K annual lease payment.

4.0 SWIMMING POOL

The Durango Hills Pool was designed as a family recreation pool with water slides and play areas for children. It was opened to the public in the Summer of 1999. During its first year of operation, City Leisure Services staff were responsible for operating the pool. After the completion of the community center adjacent to the pool in 2000, the City contracted YMCA to operate the pool along with the center.

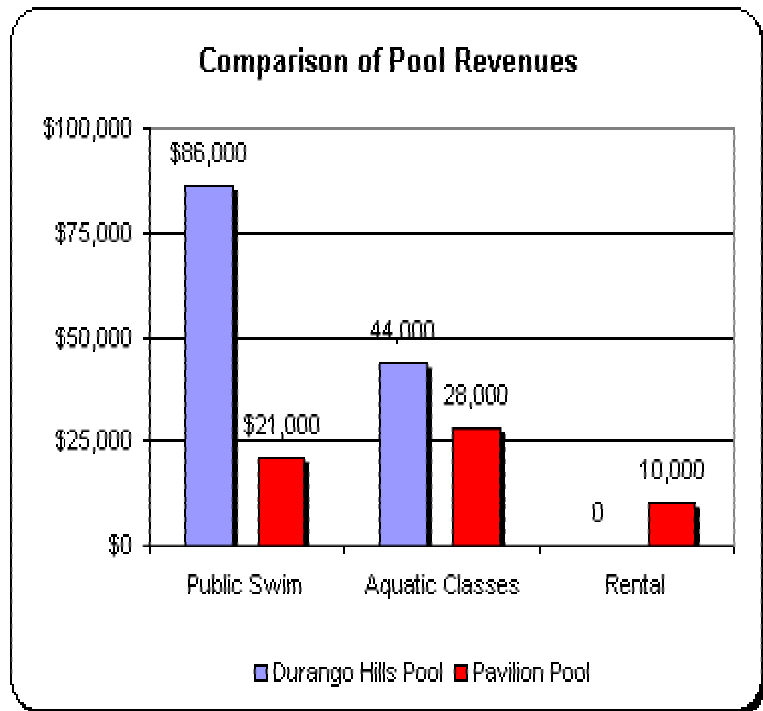
The Pavilion Pool was built by Summerlin and turned over to the City as a public pool in the summer of 2002. It was essentially designed for lap swim. The City's aquatic staff is responsible for operating the pool.

Pool revenues can be grouped into three categories as follow:

2002 Pool Revenues	Durango Hills Pool	Pavilion Pool	DHP - PP
Public Swim	\$86,000	\$21,000	\$65,000
Aquatic Classes	44,000	28,000	16,000
Rental	0	10,000	-10,000
Total	\$130,000	\$59,000	\$71,000

Durango Hills Pool's annual revenue of \$130K is more than double Pavilion Pool's revenue. Its revenues from public swim and aquatic classes are both higher than those of Pavilion Pool. Durango Hills' recreation oriented pool was able to generate more than four times Pavilion Pool's revenue from public swim.

Pavilion Pool's birthday program allows users to have exclusive use of the swimming pool. The program generated approximately \$10K of rental revenue in 2002. Birthday parties at Durango Hills were held during public swim hours and the revenues were included in the center's rental revenue.



4.1 COMPARISON OF AQUATIC PROGRAM

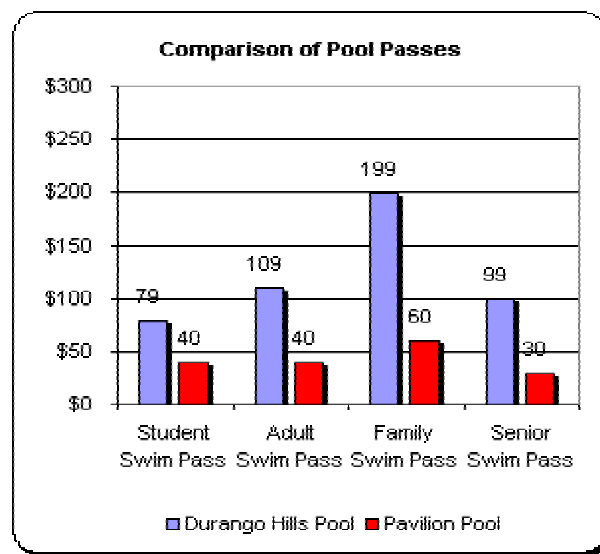
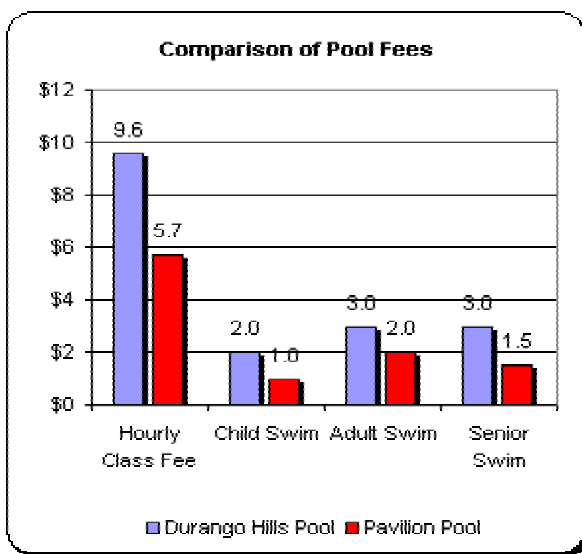
Durango Hills Pool's hours of operation were longer than those of Pavilion Pool's hours as shown in the following table:

2002 Operating Hours	Durango Hills Pool	Pavilion Pool	DHP - PP
Number of days open	113 days	101 days	12 days per year
Annual operating hours	1,059 hours	994 hours	65 hours per year
Monday – Friday	7am - 8pm (13 hrs)	7am - 7pm (12 hrs)	1 hour per weekday
Saturday	11am - 6pm (7 hrs)	10am - 5pm (7 hrs)	no difference
Sunday	11am - 6pm (7 hrs)	1pm - 5pm (4 hrs)	3 hours

Durango Hills Pool had more aquatic staff and served more customers than Pavilion Pool.

Staff and Customers	Durango Hills Pool	Pavilion Pool	DHP - PP
Number of aquatic staff (seasonal)	36	26	10 more staff
Number of public swim customers	40,000	10,000	four times more customers
Number of class registrants	1,800	1,000	800 more registrants

Durango Hills Pool's charges for pool fees and pool passes were, on average, 47% higher than those of Pavilion Pool.



5.0 CUSTOMER SERVICE SURVEY

We engaged an outside contractor to conduct a survey to determine the community awareness and user satisfaction of the two centers. Over one thousand phone interviews were conducted for each center's surrounding residents. The survey results are attached at the end of this report. The following are some of the highlights from the survey.

Community Awareness

- ❖ Approximately two-thirds of the survey participants were aware of their community center's existence.
- ❖ More than ninety percent of the survey participants knew their community center was open to the public.
- ❖ Sixty-nine percent of households surveyed regarding Veterans Memorial had used the center in the last twelve months compared to fifty-six percent usage of Durango Hills.

User Satisfaction Levels

The interviewed users were asked whether they were satisfied with the centers' customer services in several areas. They were given the choices of: very satisfied, satisfied, dissatisfied, and very dissatisfied. The following is a summary of the users' satisfaction levels (satisfied and very satisfied) for each center.

Satisfied or Very Satisfied	Durango Hills	Veterans Memorial	DH - VM
Operating Hours and Schedule	94%	91%	3%
Variety of Programs and Services	94%	92%	2%
Cleanliness and Maintenance	94%	97%	-3%
Safety and Security	94%	95%	-1%
Variety of Equipment	94%	91%	3%
Number of Staff and Instructors	89%	93%	-4%
Friendliness and Quality of Staff and Instructors	96%	96%	0%
Affordability of Fees	85%	98%	-13%
Average	92.5%	94.1%	-1.6%

Comparison of Durango Hills and Veterans Memorial Leisure Services Centers
CAO 1601-0304-02
November 10, 2003

ATTACHMENT A



Executive Summary

COMMUNITY CENTER SURVEYS FOR DURANGO HILLS AND VETERANS MEMORIAL FACILITIES [MARGIN OF ERROR: +/-4.3%]

INTRODUCTION

The surveys were designed to compare and contrast the quality of customer service at the Veterans Memorial Community Center (VMCC) and the Durango Hills Community Center (DHCC). The surveys targeted two distinct respondent populations: residents of the neighborhood and users/participants of each of the community recreation centers.

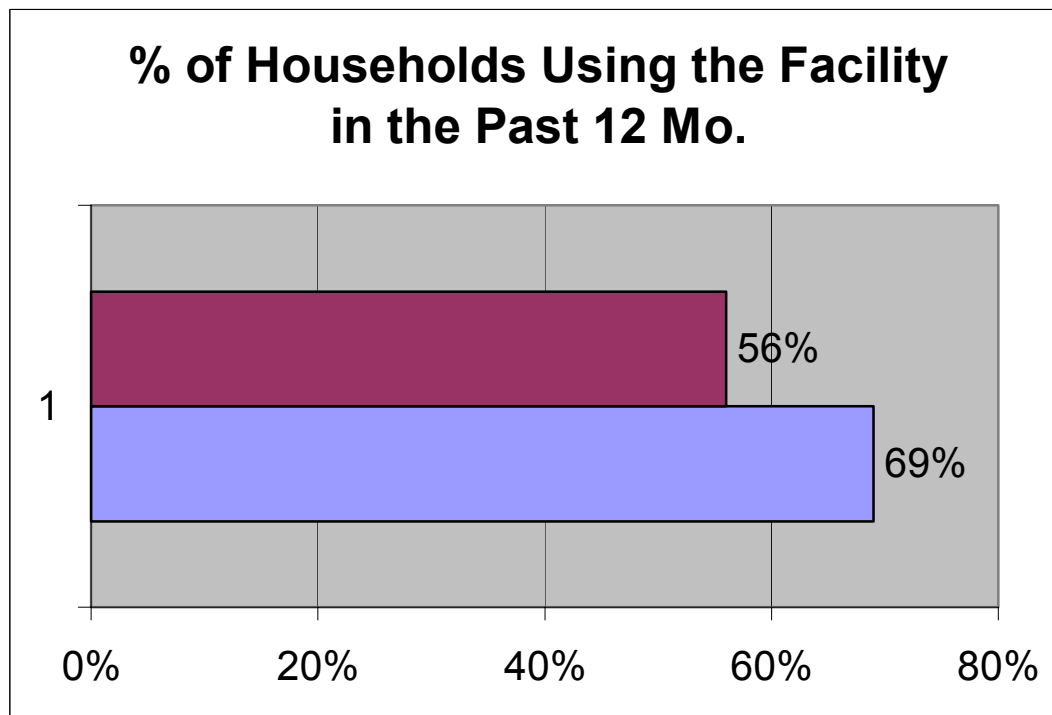
The data obtained in these surveys can be used by the City of Las Vegas to assess the value, services, facilities, equipment, staff, instructors, programs, classes, scheduling and hours of operation for each of the community recreation centers. The research will direct the City of Las Vegas' attention to critical areas by identifying matters for improvement, providing a template for implementing efficiency standards and assisting the City of Las Vegas in proficiently expending its resources between the two community recreation centers. Data from this survey can be used by the City of Las Vegas as a benchmarking tool for future projects.

Attached to this summary are copies of questionnaires for each survey (Appendix A and B), hard copies of the SPSS data summaries and cross-tabulation summaries for each survey (Appendix C and D) and direct respondent answers for those who offered their own opinions about the community centers (Appendix E and F). Additionally, the City of Las Vegas will be provided with an electronic copy of all the data collected in the surveys.

GENERAL COMMUNITY AWARENESS AND USE

The initial survey questions were designed to gauge community awareness and usage of the two community centers. The data suggests awareness and usage is relatively similar between the two centers. In both cases, roughly two-thirds of the survey participants were aware of the centers existence and more than 90 percent knew the centers were open to the public.

However, the questions based on participant usage of the centers showed some variation; 69 percent of households surveyed regarding the Veterans Memorial Community Center (VMCC) had used the facility in the last 12 months compared to only 56 percent usage of the Durango Hills Community Center (DHCC).



Additionally, 20 percent of those who had *not* used the VMCC in the past year had previous experience with it, while only 12 percent of those who had not used the DHCC in the past year had any previous experience with that facility.

To further understand why individuals were no longer visiting the centers or had never used the centers, we asked the following questions: ¹

¹ NB: The statistical reliability of this data cannot be guaranteed because the sample size is too small.

Question: Thinking about your previous use of the VMCC/DHCC and pool, which of the following best describes your reason for no longer using the center? I will read you a list to choose from.

Reason	Percentage VMCC	Percentage DHCC
Operating Hours and Schedule	13	3
Variety of Programs and Services	3	0
Cleanliness and Maintenance	3	3
Safety and Security	6	0
Variety of Equipment	6	3
Number of Staff and Instructors	0	0
Friendliness and Quality of Staff and Instructors	6	0
Affordability of Fees	3	24
Location	22	7
Other ²	28	35
Do Not Know	13	24

The primary reason VMCC users no longer use the facility was based on location, with 22 percent of respondents selecting this choice. However, one in four former DHCC users cited fees as the most significant deterrent to use of the center.

Question: Thinking about the VMCC/DHCC and pool, which of the following best describes your reason for never using the center?

Reason	Percentage VMCC	Percentage DHCC
Operating Hours and Schedule	9	5
Variety of Programs and Services	5	4
Cleanliness and Maintenance	0	0
Safety and Security	0	0
Variety of Equipment	2	2
Number of Staff and Instructors	0	0
Friendliness and Quality of Staff and Instructors	2	2
Affordability of Fees	3	10
Location	13	9
Other ³	40	41
Do Not Know	27	28

The response of those who never used the center is similar to those who discontinued use of the facilities. Again, VMCC non-users cited location (13 percent) and DHCC non-users cited fees (10 percent) as the primary reason for not using the centers.

² Certain participants offered their own reasons for not using the center. These responses have been recorded and are included at the end of this summary for review. See Appendix E and F.

³ See footnote 2.

USER/PARTICIPANT CUSTOMER SATISFACTION

The main focus of the survey was to discover why individuals were using the two facilities and compare customer satisfaction between the centers. As a result, a series of questions were posed to the respondents who told interviewers they had been to at least one of the two centers in the last 12 months. Respondents were asked:

Question: I am going to read you a list of customer satisfaction criteria. Based on your use of the VMCC/DHCC in the past twelve months please tell me if you are very satisfied, satisfied, dissatisfied, or very dissatisfied with these criteria:

In all cases, respondents from each center overwhelmingly choose the very satisfied and satisfied categories. Negative responses on the centers rarely reached more than 10 percent of the respondents. Only in the categories of number of staff and affordability of fees at the DHCC did more than 10 percent of the respondents choose dissatisfied or very dissatisfied.

Additionally, a comparison of the affordability of fees between centers shows that combined satisfaction scores for the VMCC were 98 percent and for the DHCC were 85 percent. This criteria offers the most significant difference between the customer satisfaction criteria at the centers. A follow-up question of whether facility users would be willing to pay higher fees to use the two centers was also posed to participants. Just under half of the respondents using the VMCC were willing to pay higher fees to cover the cost of the center, while less than one-third of DHCC users were willing to pay higher fees.

Operating Hours and Schedule

Center	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
VMCC	37%	54%	8%	1%
DHCC	28%	66%	6%	1%

Combined Satisfaction scores for the VMCC were 91% and for the DHCC were 94 percent.

Variety of Programs and Services

Center	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
VMCC	35%	57%	8%	0%
DHCC	32%	62%	5%	1%

Combined Satisfaction scores for the VMCC were 92 percent and for the DHCC were 94 percent.

Cleanliness and Maintenance

Center	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
VMCC	53%	44%	3%	0%
DHCC	36%	58%	5%	1%

Combined Satisfaction scores for the VMCC were 97 percent and for the DHCC were 94 percent.

Safety and Security

Center	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
VMCC	44%	51%	4%	1%
DHCC	33%	61%	5%	1%

Combined Satisfaction scores for the VMCC were 95 percent and for the DHCC were 94 percent.

Variety of Equipment

Center	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
VMCC	33%	58%	8%	1%
DHCC	26%	68%	5%	1%

Combined Satisfaction scores for the VMCC were 91 percent and for the DHCC were 94 percent.

Number of Staff and Instructors

Center	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
VMCC	33%	60%	6%	1%
DHCC	25%	64%	10%	1%

Combined Satisfaction scores for the VMCC were 93 percent and for the DHCC were 89 percent.

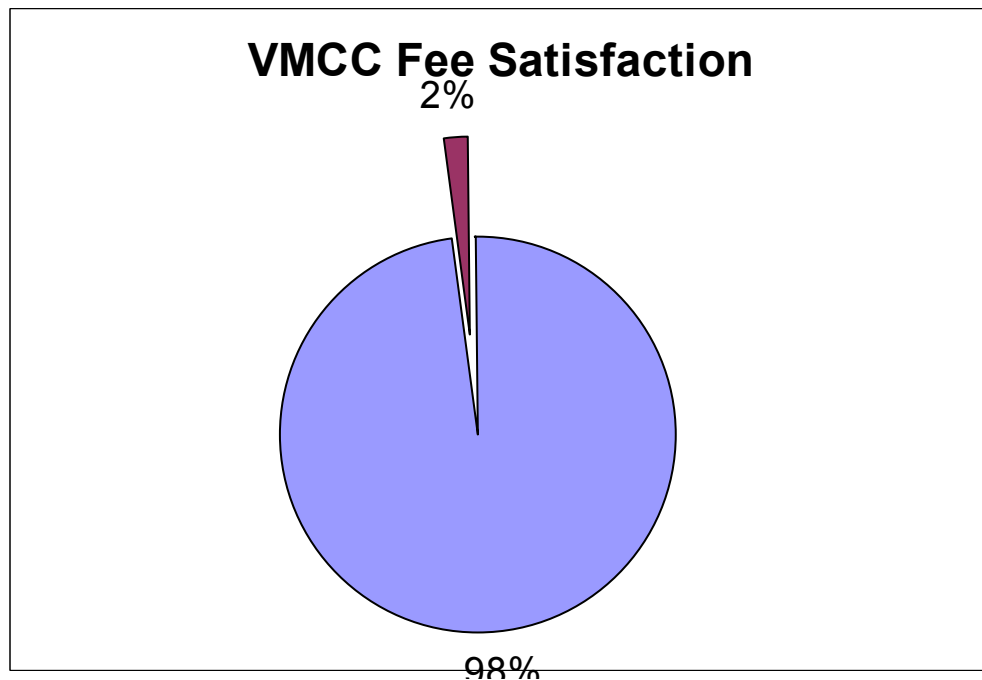
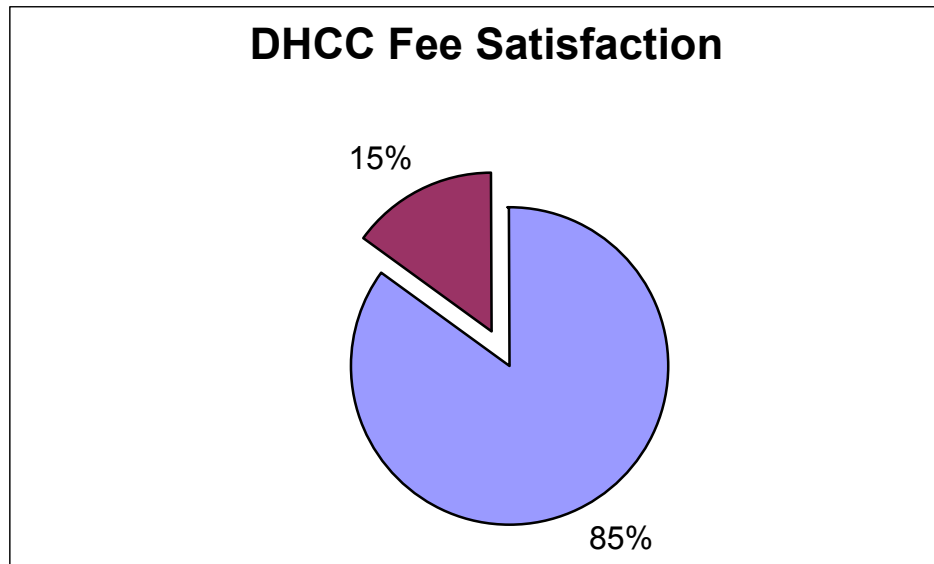
Friendliness and Quality of Staff and Instructors

Center	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
VMCC	55%	41%	3%	1%
DHCC	40%	56%	3%	1%

Combined Satisfaction scores for the VMCC were 96 percent and for the DHCC were 96 percent.

Affordability of Fees

Center	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
VMCC	56%	42%	2%	0%
DHCC	29%	56%	13%	2%



Combined Satisfaction scores for the VMCC were 98 percent and for the DHCC were 85 percent.

THE DUAL USER

In an effort to further compare the two centers, primary users of each facility were also asked if they had ever used the other center. These users were then asked to compare each center and offer the main reason for their preference.

Of the 1,068 individuals questioned for the VMCC survey, only 71 had ever used the other facility. Additionally, of the 1,316 individuals questioned for the DHCC survey only 21 had ever used the VMCC. As a result, any comparison data from the dual use cannot be taken as statistically accurate. However, the results of the dual user survey are below.

Question: Thinking of your experience at each community center, which of the two centers do you prefer to use, VMCC and pool or DHCC and pool?

Seventy-five percent of VMCC primary users preferred their own facility compared to 57 percent of DHCC primary users who preferred their primary facility. It should be noted, that respondents would be expected to have a preference for the facility they are using currently.

Users were also asked to rate the centers side by side and note which center they preferred in each category.

VMCC primary users stated the following:

Criteria	VMCC Percent Preference	DHCC Percent Preference	Do Not Know
Operating Hours and Schedule	66	22	12
Programs and Services	66	22	12
Facility and Equipment	60	37	3
Staff and Instructors	77	15	8
Fees	72	16	12
Location	75	25	0

DHCC primary users stated the following:

Criteria	VMCC Percent Preference	DHCC Percent Preference	Do Not Know
Operating Hours and Schedule	12	65	23
Programs and Services	24	64	12
Facility and Equipment	29	59	12
Staff and Instructors	12	65	23
Fees	24	53	23
Location	29	65	6

USER PROFILE

A number of demographic questions were added at the end of the survey to identify the user profile for each center.

Total Household Income

Income	VMCC Primary Users Percent	DHCC Primary Users Percent
Under \$15,000	2	2
\$15,000 to \$30,000	4	5
\$30,001 to \$50,000	12	13
\$50,001 to \$75,000	22	23
\$75,001 to \$100,000	18	16
Over \$100,000	18	15
Refused	24	26

Number of People Living in the Household

Number of People	VMCC Primary Users Percent	DHCC Primary Users Percent
One	6	4
Two	24	27
Three	18	20
Four	31	27
Five	15	11
More than Five	4	7
Refused	2	4

METHODOLOGY

The Center for Polling and Research (CPR) conducted two separate telephone surveys to accumulate data from community residents and the recreation center users/participants subgroup for each recreation center. To do so, the CPR obtained two random samples that include the names, addresses, and telephone numbers of community residents specified by the zip code where each community center was located. Additionally, the city of Las Vegas provided sample information for the user/participant groups for each recreation center. The random community sample and the user/participant sample were then combined and separate polls were conducted for each recreation center.

The survey questionnaires were composed by Philip Cheng, Senior Internal Auditor and Brian Smith, Internal Auditor with substantial input from Jason Gray, CPR analyst, and Christina Dugan, director. Jason Gray began the surveys upon final written authorization of the survey questionnaire from Philip Cheng.

Data collected from each population for each recreation center was collected and analyzed separately for comparison and contrast purposes. This was done using state-of-art cross tabulation analysis from the statistical program SPSS. The information has been provided both in its raw form (Appendix C and D) and in the comprehensive executive summary.

A total of 1,068 community residents were contacted between September 26 and October 1 about the VMCC. A total of 367 of the interviewed households used the VMCC in the past twelve months and 32 of the households had ever used the VMCC.

A total of 1,316 community residents were contacted between October 4 and October 8 about the DHCC. A total of 319 of those households used the DHCC in the last 12 months and 30 of the those households had ever used the DHCC.

The margin for error, according to standards customarily used by pollsters, is +/- 4.3 percentage points. This means that there is a 95 percent probability that the "true" figure would fall within that range if the entire population were sampled.

Interviews lasted almost five minutes per completed response. The data were gathered using a computer assisted telephone interviewing system and the results were tabulated by a computerized statistical software package.